



2021-22 Unaudited Actuals

Budget Advisory Committee
September 12, 2022

Agenda

- Introductions
- Purpose of BAC
- 2020-21 Results
- Impact on 2021-22
- 2021-22 Budget Calendar & 2022-23 Budget Development
- Adjourn

Acknowledgements

Thank you to the Business Services Team - amazing professionals who keep this District running smoothly.

Fiscal

Upexa Captan

Cheryl Kaiser

Julie Kim

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Kim Randlett

Payroll

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Purpose of BAC

- The Budget Advisory Committee is a standing committee with representatives from all stakeholders in the District.
- Its purpose is to:
 - review the District's Budget,
 - share the information with constituent groups, and
 - generate recommendations for Board consideration in the budget development process.
- The BAC is a vehicle to disseminate information to as many parents, students, staff and community members as possible.

Purpose of Today's Meeting

- Overview of 2021-22 financial results with the objective of answering the following questions:
 - How did actual revenues compare to expectations?
 - How did actual expenditures compare to expectations?
 - How will the results from 2021-22 affect the budget for 2022-23 and beyond?
- Discuss budget calendar for this year (2022-23) and next (2023-24).

School District Financial Reports

- California public school districts are required to report financial data:
 - Following the California School Accounting Manual (**CSAM**),
 - Using the “Standardized Account Code Structure” (**SACS**),
 - To the County Office of Education by specific dates:
 - **Adopted Budget** by July 1
 - **1st Interim** by Dec 15 for actuals thru Oct 31
 - **2nd Interim** by March 15 for actuals thru Jan 31
 - **Estimated Actuals** with next year’s budget
 - **Unaudited Actuals** by Sept 15 for actuals thru June 30
 - **Audit** by December 15 to CDE; by January 30 to Board

Budget Terminology

- 0 **Budget** – **Plan** of how financial resources will be spent. Indicates priorities and estimates.
- 0 **Budget authority** – spending approved by board and allocated to a budget code that indicates goal, function, spending type, etc.
- 0 **Ongoing**– funding or spending that is expected to continue indefinitely.
- 0 **One-time** – funding or spending for which there is no ongoing commitment.

of School Sites:

6

of Students (Enrollment) 9/1/22:

2,340 (est.)

of Employees:

373

of Full-Time Equivalents (FTE):

359

District Basics

2021-22 Financial Results

What is an Unaudited Actual?

- Once the fiscal year ends – June 30 – the fiscal team starts the process of closing the books and confirms:
 - All revenues due in 2021-22 have been received or accrued and properly recorded;
 - All expenses related to 2021-22 have been paid or accrued and properly recorded;
 - Required reports are prepared for County, State, and Federal oversight agencies.
- The end result is the Fiscal Year “Actuals” and because they haven’t been audited yet, they are the “Unaudited Actuals”.

Headlines

- Finances were relatively stable after a few rollercoaster years.
 - **COVID** support for testing & tracing was supported by City and State funds
 - **Expanded Learning and Learning Recovery** funds from the State and federal dollars supported \$1 million in expenditures.
 - **Facilities** - STEAM, Theater, and VRF Projects were completed, plus other critical infrastructure improvements.
- The minimum 3% reserve has been met, with some additional resources available for one-time and ongoing expenses.

Funds

- The General Fund is where the day-to-day operations of the District are recorded. Revenues from the Local Control Funding Formula (LCFF), other state and federal programs, the Measure A Parcel Tax, the Piedmont Education Foundation (PEF) donation, and other support group donations are recorded and spent.
- The Other Funds are restricted either by Board Board or by the revenue source.

Overall Picture

The District ended the year with \$15.2 million in all funds.

The Building Fund (H1 Bond) is spent.

Fund	Amount
1 - General	\$4,888,296
8 - Student Activities	440,874
11 - Adult Education	73,001
13 - Cafeteria	343,769
14 - Deferred Maintenance	(127,650)
17 - Reserves (NODA)	108.186
21 - Building (Bonds)	0
35 - State Schools Facilities	3,722
40 - Special Res for Facilities	452,773
51 - Bond Repayment	9,021,209
TOTAL	\$15,204,180

General Fund - Historic Look

- The District consistently spends most of its revenues in the year received.
This year, a large portion of the ending fund balance is restricted revenues.

	2017/18	2018/19	2019/20	2020/21	2021/22
	Unaudited Actuals 09/12/18	Unaudited Actuals 09/11/19	Unaudited Actuals 09/09/20	Unaudited Actuals 09/14/21	Unaudited Actuals 09/14/22
Total Revenues	39,775,668	43,331,738	42,645,203	46,815,726	48,995,227
Total Expenditures	(40,271,940)	(42,906,151)	(42,376,320)	(44,826,192)	(48,822,525)
Net Surplus (Deficit)	(496,272)	425,587	268,883	1,989,534	172,702
Beginning Fund Balance	2,535,108	2,038,836	2,464,423	2,726,062	4,715,596
Ending Fund Balance	2,038,836	2,464,423	2,733,307	4,715,596	4,888,298
Minimum Reserve (3% of Expenditures)	1,208,158	1,287,185	1,271,290	1,344,786	1,464,676

2021-22 General Fund Budget Progression

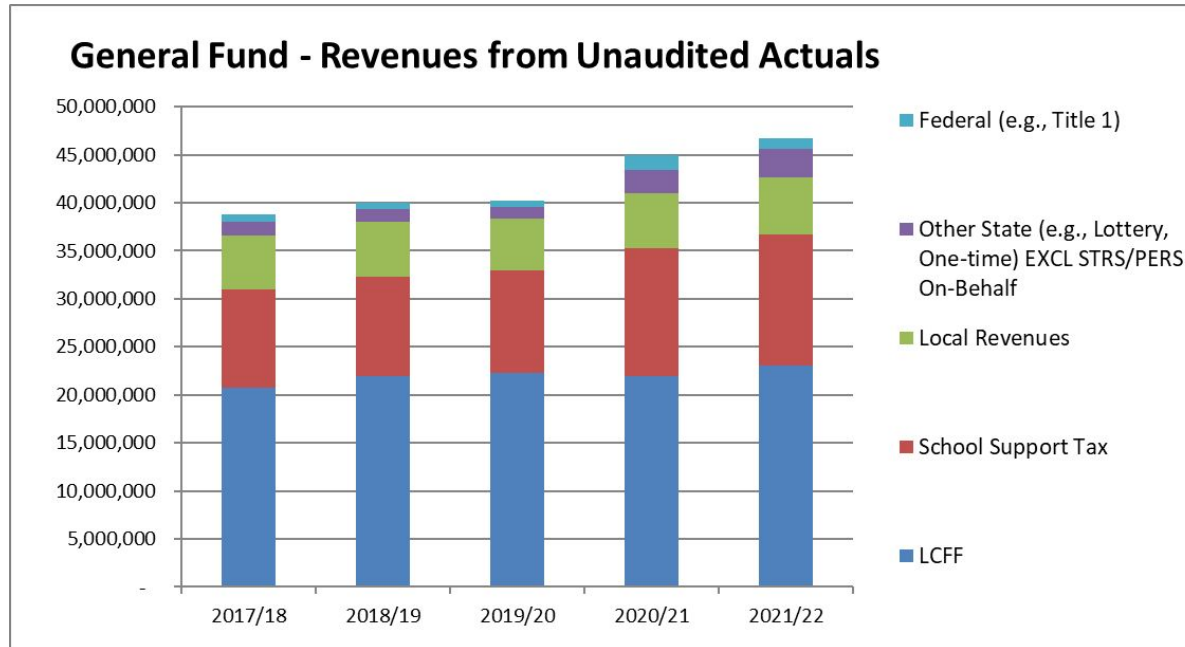
Revenues

- The major differences in **revenues** were:
 - Over \$2 million for learning recovery from the State after the budget was passed.
 - Approx. \$500 K in Federal funds were also provided.
 - The local grant from Makers and other contributions from parents provided \$900 K in add'l resources.

General Fund Revenues			
	2021-22 Orig Budget	2021-22 Un. Actuals	Difference
Revenues			
LCFF - Base	\$ 23,042,739	\$ 23,077,751	\$ 35,012
PARCEL TAX REVENUE	13,491,159	13,642,172	\$ 151,013
LOCAL REVENUES - PEF	2,760,000	2,750,000	\$ (10,000)
LOCAL REVENUES - ALL OTHERS	811,452	1,722,278	\$ 910,826
STATE REVENUES	945,299	3,060,393	\$ 2,115,094
STATE REVENUES - STRS on-behalf	1,898,025	2,273,243	\$ 375,218
TRFS APPORT FR DISTRICTS (SELPA)	1,383,857	1,406,990	\$ 23,133
FEDERAL REVENUES	547,943	1,045,152	\$ 497,209
Total Revenues	\$ 44,880,474	\$ 48,977,978	\$ 4,097,504

General Fund - Revenues - Historic

- The School Support Tax and Local Revenues are 42% of the District's General Fund revenues.



2021-22 General Fund Budget Progression

Expenditures

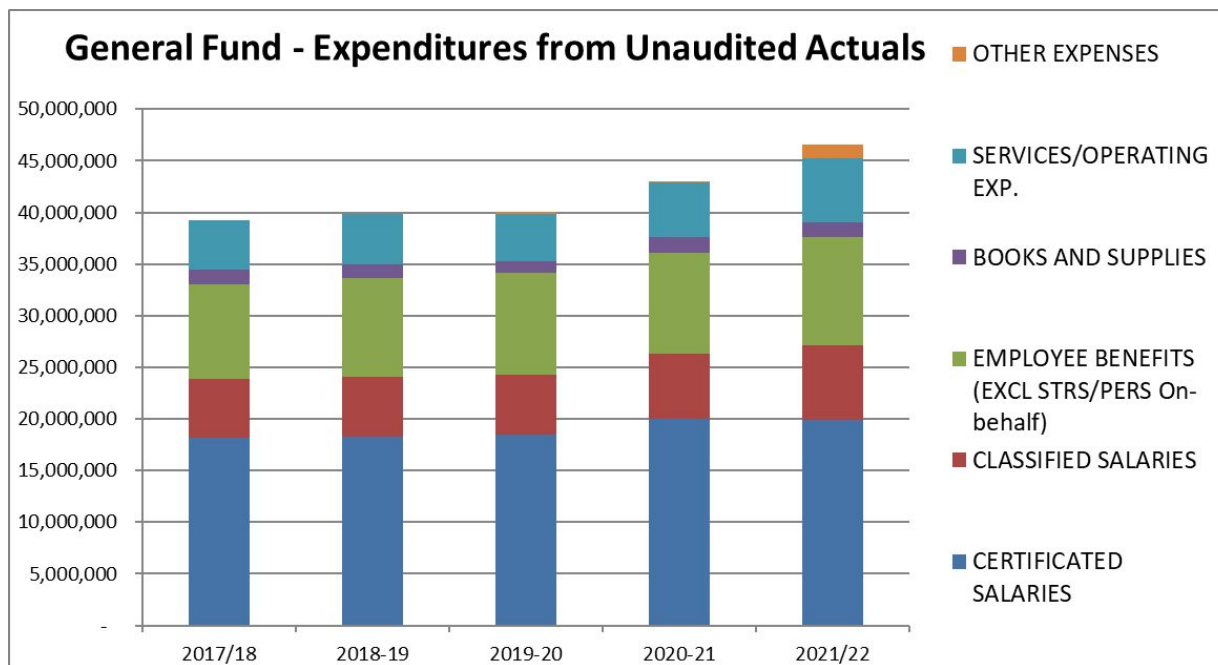
- The major differences in **expenditures** were:

- Over \$1 M infusion of learning recovery funds increased expenditures for staff and contracts.
- Facilities projects increased expenditures by approx. \$1 M.

General Fund - Expenditures			
Expenditures	2021-22 Orig Budget	2021-22 Un. Actuals	Difference
Certificated Salaries	\$ 19,855,848	\$ 19,934,274	\$ 78,426
Classified Salaries	6,816,880	7,212,599	395,719
Benefits	11,735,323	10,480,204	(1,255,119)
STRS On-Behalf	1,898,025	2,273,243	375,218
Books & Supplies	1,138,929	1,375,193	236,264
Services/Other Oper.	5,129,037	6,257,181	1,128,144
Capital Outlay	-	1,077,634	
Internal Transfers	81,150	40,421	(40,729)
Add'l Adjustments	(102,000)	154,528	256,528
Total Expenditures	\$ 46,553,192	\$ 48,805,277	\$ 1,174,451

General Fund - Expenditures - Historic

- Overall, the costs for salaries and benefits have increased,
- Total employee compensation was 81% of total expenses.



The District is required to maintain a minimum reserve of 3% of General Fund expenditures. The available reserve is 5.1%.

Ending Fund Balance (EFB)		\$4,888,296
<u>Restricted or Unavailable:</u>		
Restricted	1,695,747	
Semi-Restricted /Committed	400,018	
Revolving Cash	43,773	
Measure H Reserved for CSEA	260,147	
Restricted or Unavailable		2,399,685
<u>Unrestricted:</u>		
3% Reserve for Economic Uncertainty	1,464,662	
Designated for 2022-23 expenses	442,269	
Unrestricted but not available		1,906,931
Available for 2021-22 and beyond		\$581,680

ENDING FUND BALANCE

2021-22 Highlights

COVID Related

- \$100,000 from City of Piedmont
- \$155,000 from CDPH
- 3 nurses
- 6-8 health clerks
- Robust testing program

Learning Recovery

- \$1.5 million for COVID recovery work.
 - Summer school 2021 K-12
 - Add'l Counselors K-5
 - Add'l Instructional Paras K-5
 - MTSS Teachers focus on socio-emotional K-12
 - Add'l Psychologist 9-12
 - After-school Tutors K-12
 - Outside placements for Special Needs students

Facilities

- H1 Bond Program completed!
- VRF projects at elementaries completed!
- Play structures, roof AC units, misc other projects.
- Wireless access improvements.

Questions?



Other Funds

Student Activity (ASB) Fund

- Fund 8 is used to record the financial activities and the balance sheet for the District's Associated Student Body (ASB) funds.
- The fund was established in 2020/21.

Fund 08 - Student Activity (ASB)					
	2017/18	2018/19	2019/20	2020/21	2021/2022
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 276,829
Expenditures	-	-	-	-	(257,830)
Net	-	-	-	-	18,999
Beginning Balance	-	-	-	-	338,739
Adjustment to Beg. Bal				338,739	83,136
Ending Balance	\$ -	\$ -	\$ -	\$ 338,739	\$ 440,874

Adult Education

- Adult Education includes both State-funded programs, such as diploma completion, and fee-based classes for the community.
- The community program is still recovering from COVID and is not able to contribute to the General Fund as in has in the past.

Fund 11 - Adult Education					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 679,743	\$ 680,444	\$ 650,348	\$ 471,338	\$ 518,361
Expenditures	(664,395)	(699,520)	(778,548)	(537,494)	(550,988)
Net	15,348	(19,076)	(128,200)	(66,156)	(32,627)
Beginning Balance	425,102	440,450	421,375	293,175	105,628
Adjustment to Beg. Bal				(121,391)	-
Ending Balance	\$ 440,450	\$ 421,375	\$ 293,175	\$ 105,628	\$ 73,001

Cafeteria Fund

- The District's food service program serves middle and high school students. Parents' clubs run the elementary lunch programs, with a portion of the revenues supporting noon supervision at elementaries.
- Though the program has run a surplus in the past, the year of COVID depleted those reserves.
- Starting in 2022-23, the District is required to participate in Universal Meals, providing free breakfast and lunch to all students.

Fund 13 - Cafeteria					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 927,167	\$ 1,066,219	\$ 581,032	\$ 12,903	\$ 739,553
Expenditures	(717,260)	(785,877)	(680,810)	(306,692)	(771,217)
Net	209,907	280,342	(99,778)	(293,789)	(31,664)
Beginning Balance	325,744	535,651	815,993	716,215	375,433
Adjustment to Beg. Bal				(46,994)	1
Ending Balance	\$ 535,651	\$ 815,993	\$ 716,215	\$ 375,433	\$ 343,769

Deferred Maintenance Fund

- The District continues to fund facilities repairs through the Deferred Maintenance fund using district funds only. The State no longer provides a match.
- Restricted Routine Maintenance (RRMA) funds from the General Fund are used for Witter field maintenance expenses and to repay the loan to the Cafeteria Fund for the 2019 summer VRF project at Havens.

Fund 14 - Deferred Maintenance					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 22,475	\$ 84,784	\$ 52,574	\$ 79,250	\$ 83,650
Expenditures	(55,676)	(131,673)	(377,455)	(72,403)	(54,988)
Net	(33,201)	(46,889)	(324,882)	6,847	28,662
Beginning Balance	241,812	208,612	161,722	(163,159)	(156,312)
Ending Balance	\$208,612	\$161,722	\$ (163,159)	\$ (156,312)	\$ (127,650)

Special Reserve - Noda

- The Noda fund was established as an endowment to support the Visual Arts Program.
- Any amount over the base endowment of \$100,000 can be used as a grant towards visual and performing arts.

Fund 17 - Special Reserve - Noda					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 1,116	\$ 2,029	\$ 3,297	\$ 2,378	\$ (123)
Expenditures	-	-	-	-	(2,248)
Net	1,116	2,029	3,297	2,378	(2,371)
Beginning Balance	101,735	102,851	104,881	108,178	110,556
Adjustment to Beg. Bal					1
Ending Balance	\$ 102,851	\$ 104,881	\$ 108,178	\$ 110,556	\$ 108,186

Building (Bonds)

- The Building Fund accounts for the Measure H1 bond revenues and expenditures.
- In 2021-22, all work associated with the H1 bonds was completed and bond funds were depleted.

Fund 21 - Building					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 279,575	\$ 400,452	\$ 30,674,236	\$ 10,397,253	\$ (52,657)
Expenditures	(3,683,170)	(5,564,663)	(25,197,206)	(24,313,838)	(8,284,578)
Net	(3,403,595)	(5,164,211)	5,477,030	(13,916,585)	(8,337,235)
Beginning Balance	25,314,854	21,941,000	16,776,789	22,253,819	8,337,234
Adjustment to Beg. Bal					1
Ending Balance	\$21,911,260	\$16,776,789	\$ 22,253,819	\$ 8,337,234	\$ 0

State School Facilities

- State matching funds for the prior bond program are held in this fund. Minor facilities costs are paid from remaining funds.
- The 2022-23 State budget included funding for this program - funding is expected by the end of the school year.

Fund 35 - State School Facilities					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 594	\$ 278	\$ 74	\$ 73	\$ (4)
Expenditures	(74,148)	(986)	-	-	-
Net	(73,554)	(708)	74	73	(4)
Beginning Balance	77,842	4,287	3,579	3,653	3,726
Adjustment to Beg. Bal					
Ending Balance	\$ 4,287	\$ 3,579	\$ 3,653	\$ 3,726	\$3,722

Special Reserve - Capital Facilities

- This reserve fund is for facilities projects that are not funded by the bond program. The grant for the Alan Harvey Theater is held here (\$25.5 K).
- The 2022 Financing to complete the Theater and fund the remaining VRF projects was deposited to this fund. Repayment of the loan is made out of this fund as well.

Fund 40- Capital Facilities Fund					
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues	\$ 70,438	\$ 63,265	\$ 108,487	\$ 223,054	\$ 3,361,478
Expenditures	(408,110)	(66,423)	(100,000)	(502)	(3,584,507)
Net	(337,672)	(3,158)	8,487	222,552	(223,029)
Beginning Balance	785,593	447,921	444,763	453,250	675,802
Ending Balance	\$ 447,921	\$ 444,763	\$ 453,250	\$ 675,802	\$ 452,773

Bond Interest & Redemption

- This fund is to account separately for bond repayment funds collected from taxpayers. The County Auditor sets the tax rate and the County Treasurer collects taxes and makes the bond payments.

Fund 51 - Bond Interest & Redemption Fund				
	20108/19	2019/20	2020/21	2021/22
Revenues	\$ 8,364,067	\$ 11,649,144	\$ 7,161,565	\$ 6,758,866
Expenditures	(9,630,435)	(8,732,343)	(9,490,620)	(7,245,500)
Net	(1,266,368)	2,916,801	(2,329,055)	(486,634)
Beginning Balance	10,186,464	8,920,096	11,836,897	9,507,842
Adjustment to Beg. Bal				1
Ending Balance	\$ 8,920,096	\$ 11,836,897	\$ 9,507,842	\$ 9,021,209

Implications for 2022-23

What “Carrys Over” to 2022-23?

- The Ending Fund Balance is \$4.9 Million:
 - Legally Restricted: \$1,697,747
 - Unspent donations \$400,018
 - Measure H - for CSEA: \$260,147
 - Revolving Cash: \$43,733
 - 3% Reserve: \$1,464,662
 - Avail for 2023-24: \$442,269
 - **Avail for other priorities: \$581,680**



Available for other priorities

2022-23 Budget Calendar

2022-23 Budget Revisions

- October 2022 – Update to Board
 - Enrollment implications
 - Salaries and benefits based on actual people in positions
- December 2022– First Interim Report
 - Multiyear projections based on all known information
- March 2023 – Second Interim Report
 - Update Multiyear Projections based on Governor's Proposed Budget
- June 2023 – Estimated Actuals
- September 2023 – Unaudited Actuals

2023-24 Budget Development

2023-24 Budget Development

- January 2023 – Governor's Budget preview
- March 2022 – Budget priorities and framework
- April 2023 – Preliminary Budget
- May 2023 – May Revision of Governor's Budget
- June 2023 – Final Budget Public Hearing and Board approval

Topics for Future Meetings

Month	Topic	Budget Year
October	Revenues – Deep Dive	2022-23
November	Expenditures – Deep Dive	2022-23
December	First Interim Budget & MYP Update	2022-23
January	Governor’s Proposal for 2023-24	2023-24
March	Second Interim Budget & MYP Update	2022-23
April	2023-24 Budget Development	2023-24
May	2023-24 Proposed Budget w/ May Revisions	2023-24